

STATE BOARD OF EQUALIZATION, PROPERTY AND SPECIAL TAXES DEPARTMENT

ASSESSMENT POLICY AND STANDARDS DIVISION
 PO BOX 942879, MIC:64, Sacramento, CA 94279-0064
 Exemptions Section: 916-445-3524; Division: 916-445-4982

WELFARE EXEMPTION
LOW-INCOME HOUSING (MANAGING GENERAL PARTNER)
SUPPLEMENTAL CLEARANCE CERTIFICATE FINDING SHEET

DATE:

Organization Information:

Name of Limited Partnership and Property Location:

BOE EX. No.

Status:

Corp. ID:

Type:

Fiscal Year:

Under the provisions of section 254.6 of the Revenue and Taxation Code, we have reviewed the *Claim for a Supplemental Clearance Certificate for Managing General Partner* and supporting documents to determine if the organizational requirements for exemption are met for this property under section 214(g). Our finding is that the requirements of section 214(g) have "Been Met," "Not Been Met," or your claim was determined to be "Incomplete" as indicated below:

☐ BEEN MET☐ INCOMPLETE☐ NOT BEEN MET☐ N.O.C.C.☐ M.G.P.☐ N.R.A.☐ P.N.F.☐ N.L.P1.

If this finding sheet indicates an Incomplete or Not Been Met finding, you may submit additional information and/or documents in support of your claim. Please submit such documents, along with this finding sheet, to the address listed on the top of this form.

SEE REVERSE FOR DESCRIPTION OF CODES AND BELOW FOR ADDITIONAL COMMENTS REGARDING THE ORGANIZATION'S FINDING:

(Please note that the Assessor may not grant a Welfare tax exemption on a claim filed by a nonprofit managing general partner for low-income housing until the claimant has been issued a valid Organizational Clearance Certificate pursuant to section 254.6 of the Revenue and Taxation Code and a valid Supplemental Clearance Certificate for Managing General Partner.)

The claimant may appeal the Board of Equalization staff's finding of ineligibility with the Board of Equalization (Board) within 60 days of the date of mailing of the final notice of ineligibility (form BOE-277-FS2). The appeal shall be in writing and shall state specific grounds upon which the appeal is founded. The appeals are conducted according to the Board's *Rules of Practice*, available on the Board's website at boe.ca.gov.

DESCRIPTION OF CODES

CODE INCOMPLETE CLAIM

- N.O.C.C. No Organizational Clearance Certificate. Organization does not hold a valid Organizational Clearance Certificate (BOE-277-OC), which is a prerequisite to the Supplemental Clearance Certificate for Managing General Partner.
- N.R.A. No regulatory agreement or deed restriction. Please provide a copy of an enforceable and verifiable agreement with a public agency or a recorded deed restriction that restricts the project's usage.
- N.L.P1. No LP-1. Please provide a copy of Secretary of State form LP-1, *Certificate of Limited Partnership*, and, if applicable, Secretary of State form LP-2, *Amendment to Certificate of Limited Partnership*.

REQUIREMENTS NOT BEEN MET

- M.P.G. The nonprofit organization has not certified that it has sufficient management authority and duties, as provided in the limited partnership agreement, to qualify as the managing general partner of the limited partnership. As of the date the property was acquired if after the lien date, or as of the date that the nonprofit corporation was admitted into the partnership as the managing general partner, the following criteria must apply:
- (1) the limited partnership agreement provides for, and the organization as the managing general partner, subject to the rights of the partners, has control over the business, assets, and affairs of the partnership, and manages the day-to-day operations of the partnership, and participates in major management decisions of the partnership.
 - (2) the limited partnership agreement provides for and the organization as the managing general partner has two or more of the following specific partnership management duties: (i) execute and deliver all partnership documents on behalf of the partnership; (ii) acquire, hold, assign, or dispose of property or any interest in property; (iii) borrow money on behalf of the partnership, encumber partnership assets, place title in the name of nominee to obtain financing; (iv) prepay in whole or in part, refinance, increase, modify or extend any obligation; (v) pay organizational expenses incurred in the creation of the partnership and all operational expenses; (vi) determine the amount and timing of distributions; (vii) function as the federal and state tax matters partner; (viii) monitor compliance with all government regulations and file or supervise the filing of all required documents with governmental entities; (ix) prepare and/or supervise preparation of all reports required by the lender; (x) prepare or cause to be prepared all reports to be provided to the partners; (xi) coordinate all present and future development, construction or rehabilitation of projects; (xii) maintain the partnership books and records; (xiii) maintain the partnership bank account; (xiv) prepare the annual partnership budget; (xv) obtain and maintain all required insurance coverage; (xvi) establish and maintain all required reserves; (xvii) enforce all contracts, including any agreements with property management firms; (xviii) employ at partnership expense all persons necessary for operation of the partnership business, including the property management agent, auditors, attorneys and other professionals rendering service to the partnership; and (xix) manage the property, rental of units, maintenance and repair; and
 - (3) the limited partnership agreement, if it contains a delegation of authority clause, provides either that the managing general partner may not delegate any of its partnership management duties, or that the managing general partner may delegate certain of its powers, rights, and obligations to persons who, under its supervision, may perform such acts or services for the partnership as the managing general partner may approve, provided that such delegation does not excuse the managing general partner from overseeing and supervising on an ongoing basis the activities being delegated.
- P.N.F. No tax-exempt mortgage revenue bonds or low-income housing tax credits. Either of the following criteria must apply:
- (1) The acquisition, rehabilitation, development, or operation of the property, or any combination of these factors, is financed with tax-exempt mortgage revenue bonds or general obligation bonds, or is financed by local, state, or federal loans or grants.
 - (2) The owner of the property is eligible for and receives low-income housing tax credits according to section 42 of the Internal Revenue Code of 1986, as added by Public Law 99-514.